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ABSTRACT

If, nationally, there is increasing application to the state for support of private higher education, policymakers need to know the public policy justification of such support. The factors which should determine public policy with respect to support for independent higher education can be divided into four broad questions: Is the existence or survival of these institutions a matter of state concern? Is the quality of these institutions a matter of state concern? Are the functions of these institutions a matter of state concern? And are the purposes of these institutions a matter of state concern? Once these questions are answered, the question of how such support should be given may be answered. This can be divided into the following areas: aid provided directly to students, and aid provided directly or indirectly to institutions. Tables are included that specify the limitations of each form of aid and the states employing each form. State policy should be made with an understanding of federal policy, so that state programs may be designed to work cooperatively with, and take advantage of, federal programs. The final section includes a list of options for state policy with respect to independent higher education. (Author/PG)

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STATE POLICY AND INDEPENDENT
HIGHER EDUCATION

A position paper presented to the
Commission on Post Secondary Education,
State of Montana

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INTRODUCTION¹

For nearly two hundred years, the history of higher education in the United States was essentially the history of independent institutions. Though state colleges and universities were founded as early as the last decade of the eighteenth century (in North Carolina, Georgia, Vermont and Tennessee, for instance), the real impetus for growth and development of the public institutions came with the passage of the Morrill Land Grant Act of 1862. So from the founding of Harvard in 1636 until the mid-eighteen hundreds, the shape and direction of higher education was determined primarily by private institutions. Brubacher and Rudy point out that "by the coming of the Civil War, 182 permanent colleges and universities had been founded in the United States." (1968, p. 61) Only a few of these were public.

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An understanding of this is important to our discussion. Because education beyond the secondary school was performed predominantly in independent institutions until quite recently, the public service functions of higher education were being performed largely by private institutions. (That much of the activity of higher education is public service is emphasized by the Carnegie Commission's discussion in The Purposes and the Performance of Higher Education in the United States (Carnegie Commission, 1974)). The fact of considerable and diverse state support of private higher education from colonial times seems both to recognize and acknowledge this public service function. Nelson (1973, p. 63) points out that "state assistance through direct and indirect forms was largely responsible for the survival of all colleges founded during the American colonial period and countless others founded since the Revolution." Thus, the plea of Edward Everett, President of Harvard, for financial assistance from the State of Massachusetts, in 1848, is based upon both the principle that higher education is public service, and that private higher education equally performs this service with public institutions (Hofstadter and Smith, Vol. 1, p. 379).

The late nineteenth century was a period of decline for the fortunes of higher education in the United States, and, in particular, a time of adversity

Montana Commission on Post Secondary Education, and especially the Director, Pat Callan, for the opportunity to do this paper. Special thanks to Esther Clark for excellent typing and de-coding, and Norm Kaufman for preparation of several tables. A number of associations and offices were generous in furnishing material. Special thanks to Jane Porter at Educational Testing Service; Sarah Kirchen of Congressman Don Edwards' office; and Nancy Breve of the Education Commission of the States (for permission to reproduce their excellent listing of programs of state support for Private Higher Education).

for private higher education. Veysey describes this situation:

In fact, the American college, with more than two centuries of history already behind it, now found itself in deepening difficulty. Ever since the Jacksonian period, college enrollment has remained static amid a growing national population. In the years after 1865 these discouraging figures drew more and more notice within academic circles. During the 1870's attendance at twenty of the "oldest leading colleges" rose only 3.5 percent, while the nation's population soared 23 percent. In 1885 less than a quarter of all American Congressmen were college graduates, as compared with 38 percent ten years earlier (Veysey, 1970, p. 4).

However complex the factors involved in this decline, we know that it sharply affected private institutions, and that eighty percent of those founded before the Civil War failed to survive (Brubacher and Rudy, 1968, p. 416).

If the era following the Civil War represented a first great crisis for private higher education in the United States, the present time is the second. The quantitative development of public higher education was slow. For nearly a century after the Morrill Act spurred development of state colleges and universities, private institutions continued to enroll the majority of U.S. college students. Between 1951 and 1952, however, that situation reversed (See Table 1). The necessity to absorb some million veterans of World War II, as well as the anticipation of dramatic increase in college-age population beginning in the late fifties, and the increasing college-going rates of high school graduates--these factors forced a rapid and substantial expansion of public higher education which (as evident from Table 1) in a short period of time made it by far the dominant factor in U.S. higher education. In 1950, private colleges and universities had enrolled 50.7 percent of U.S. college students. By 1971, their share was 25.7 percent. In absolute numbers, of course, both public and private higher education had grown; but the major share of expansion was in

Table 1

Enrollment in institutions of higher education, by control of institution:
 United States, biennial years 1947 to 1971 actual fall enrollments and
 projected enrollments, 1973 to 1981

Year	Total	Enrollment by Control of Institution	
		Public	Private
1947	2,338,226	1,152,377	1,185,849
1949	2,444,900	1,207,151	1,237,749
1951	2,101,962	1,037,938	1,064,024
1953	2,231,054	1,185,876	1,045,178
1955	2,653,034	1,476,282	1,176,752
1957	3,036,938	1,752,669	1,284,269
1959	3,364,861	1,972,457	1,392,404
1961	3,860,643	2,328,912	1,531,731
1963	4,494,626	2,848,454	1,646,172
1965	5,526,325	3,624,442	1,901,883
1967	6,392,000	4,349,000	2,043,000
1969	7,484,073	5,414,934	2,069,139
1971	8,116,103	6,013,934	2,102,169
1973	8,707,000	6,579,000	2,128,000
1975	9,452,000	7,288,000	2,164,000
1977	10,128,000	7,943,000	2,185,000
1979	10,678,000	8,492,000	2,186,000
1981	11,108,000	8,937,000	2,171,000

SOURCE: National Center for Educational Statistics, Digest of Educational Statistics, 1972, p. 74; and, Projection of Educational Statistics to 1981-82, 1972 edition, p. 24.

the public sector.

But the enrollment problem for private institutions is not simply a declining share of total students. Presumably (even though fiscal health during the sixties was to some extent dependent upon sustained growth), solvency could be achieved on a stable enrollment curve. But, though 1971 fall enrollments show private institutions approximately even with the previous year (-0.1 percent), whereas 1970 enrollment had increased 2.2 percent from 1969, first time enrollment declined (between fall 1970 and fall 1971) 3.4 percent (Wade, 1973). And whereas higher education projections made in 1971 (Simon, 1971) by the National Center for Educational Statistics show private colleges and universities sustaining a slow growth until 1978, figures recently developed by the Carnegie Commission for Higher Education show 1972 enrollment in private higher education declining 2.9 percent from 1971, increasing slightly in 1973, and decreasing slightly in 1974 (The Chronicle of Higher Education, Oct. 1, 1973). If projected declines in total higher education enrollment begin to occur before 1978 when they are now predicted, it seems reasonable to fear that private colleges and universities will sustain a disproportionate share of that decline. (Proportion of enrollment in private colleges varies greatly by state. See Table 2.)

The connection between enrollment and fiscal health of private colleges is clear: about fifty-nine percent of total educational income of these institutions comes in the form of tuition (Carnegie Commission on Higher Education, 1973, p. 22).

Table 2

Student Enrollment in Higher Education by State,
Arranged in increasing order of Percent
Attending Private Institutions, Fall 1971

State	Total Enrollment	Type of Institutional Control		% of Total Enrolled in Private Institution
		Public	Private	
Wyoming	17,257	17,257	000	0.0
Nevada	15,065	14,966	99	0.8
Arizona	118,434	116,173	2,256	1.9
North Dakota	30,642	29,329	1,313	4.3
New Mexico	48,558	44,575	3,963	8.2
Alaska	12,342	11,281	1,061	8.6
Montana	29,421	26,765	2,656	9.0
Hawaii	40,466	36,690	3,776	9.3
California	1,304,134	1,169,733	133,716	10.3
Washington	186,783	165,942	20,841	11.2
Colorado	128,160	113,490	14,670	11.4
Oregon	122,189	108,054	14,135	11.6
Mississippi	77,284	68,198	9,086	11.8
Kansas	106,495	93,073	13,422	12.6
Michigan	405,817	352,169	53,648	13.2
Wisconsin	213,654	182,266	31,388	14.7
Delaware	27,704	23,617	4,087	14.8
Alabama	111,305	94,595	16,710	15.0
Louisiana	129,995	109,895	20,100	15.5
Arkansas	53,724	45,290	8,434	15.7
Oklahoma	119,089	100,097	18,992	15.9
Texas	463,261	384,160	79,101	17.1
Virginia	163,554	134,987	28,567	17.5
West Virginia	65,475	53,586	11,889	18.2

State	Total Enrollment	Type of Institutional Control		% of Total Enrolled in Private Institution
		Public	Private	
Georgia	136,232	110,866	25,366	18.6
Florida	251,861	205,135	46,726	18.6
Minnesota	158,830	129,019	29,811	18.8
Kentucky	104,798	84,617	20,181	19.3
Maryland	158,892	127,663	31,229	19.7
Idaho	35,591	28,115	7,476	21.0
South Dakota	31,191	24,627	6,564	21.0
Nebraska	66,663	52,671	13,992	21.0
Ohio	387,299	291,661	95,638	24.7
Tennessee	142,061	105,944	36,117	25.4
Indiana	203,481	148,938	54,543	26.8
North Carolina	184,519	134,533	49,986	27.1
Missouri	188,355	136,167	52,168	27.7
Maine	32,897	23,561	1,336	28.4
Illinois	473,404	336,203	137,201	29.0
South Carolina	76,708	53,392	23,316	30.4
New Jersey	233,214	162,167	71,047	30.5
Iowa	111,109	71,479	39,630	35.4
Utah	83,228	51,253	31,975	38.4
Connecticut	129,505	78,152	51,353	39.7
New York	826,103	491,193	334,910	40.5
Pennsylvania	426,931	245,538	180,853	42.4
Rhode Island	48,354	26,727	21,627	44.7
Vermont	24,173	13,351	10,822	44.8
New Hampshire	30,064	16,497	13,567	45.1
Massachusetts	315,348	127,164	188,184	59.7

SOURCE: Fall Enrollment in Higher Education, 1971.

THE FISCAL CRISIS

Failure to sustain or increase enrollments is not the only factor involved in the actual or potential fiscal problems of private institutions. A report made to the Oregon Educational Coordinating Council in 1968 concluded: "The committee has carefully reviewed the general condition of these institutions and has determined that they all share symptoms that, if not corrected, could lead to a substantial reduction in program quality and enrollment and probably the closure of some institutions." (State Assistance to Private and Independent Higher Education in Oregon, 1968, p. 1) The report noted aggregate deficits among the state's private colleges and universities of increasing size, beginning in 1964-65:

1964-65	\$580,022 deficit
1965-66	539,531 "
1966-67	725,246 "
1967-68	1,082,140 "

An Illinois study published in 1969 yielded a similar conclusion. In his covering letter accompanying the report, chairman T.R. McConnell said:

The private institutions in Illinois share the insecurities of most private colleges and universities in the nation. They face the virtual certainty that the present small general surplus of current revenue over expenditures will continue to decline and will turn into a substantial deficit in the near future. The impending operating deficits are large enough to threaten the solvency, the quality, the vitality--even the survival--of some institutions (Strengthening Private Higher Education in Illinois: A Report on the State's Role, 1969).

The report went on to summarize major conclusions:

The surplus of current revenues over expenditures is declining and most private institutions in Illinois face the prospect of debilitating deficits within a very few years. The current financial situation would be even more serious if the institutions were paying adequate faculty salaries and benefits. . . .

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Although no institution predicted outright bankruptcy in the next three years, three, and possibly a fourth, could be in grave circumstances if trends do continue. Moreover, there are no policies external to the campuses that have dramatically helped improve the situation and that can be relied upon.

Although Cheit says that the private institutions appear to be in better control of the financial situation, and somewhat more optimistic, he goes on to say that, for all institutions, the present

stability is fragile, for it is the product of unusual cuts in expenditure growth, and is based in part on favorable assumptions about external conditions--inflation, enrollments, private support, and public policy at the state and federal levels. Clearly, then, it would not take much to destroy the stability and force the institutions on a downward course again. The most obvious question raised by this finding is: Will the stability last? (The Chronicle of Higher Education, April 16, 1973)

William Jellema has published results of a similar kind of study, observing only private institutions, but attempting a much more comprehensive look. Studying a large number of private institutions (507) between 1968 and 1971, Jellema concluded: "Most colleges in the red were staying in the red and getting redder, while colleges in the black were generally growing grayer. Taken collectively, their days as viable institutions, capable of serving the public with quality and strength, appeared to be numbered." (Jellema, 1973, p. 12) The actual deficit for the average institution among these 507 was \$131,000 in 1971. Jellema notes that: "Behind these deficits lie curtailed operations, abbreviated departments, underdeveloped academic programs, languishing aspirations, and curbed creativity. The deficits are this great even though such cutbacks have been made. If they had not been, the deficits would surely have been much tighter." (p. 15)

As in any large distribution of people or institutions, characteristics vary. Jellema points out that while, on the average, private institutions are in a deficit situation, some do escape such fiscal stringency. This fortune may be attributable to any number of factors; in most cases where finances are sound, a complex of these factors is probably operating: an attractive academic program, identifiable constituency, good location, sound administration, the good fortune of a large endowment, and so forth.

Some combination of these factors seems requisite for financial strength in private institutions. We have discussed the effect of higher education enrollment levelling and decline. The "market" of students able to pay the cost of private college tuition, who meet admission standards at some level of selectivity, is limited. This has been analyzed by Doermann (1968). He estimates, for example, the total projected pool of high school graduates with average SAT scores of 400, and family incomes of at least \$12,900 (which would mean an expected contribution to college costs of \$2010) to be 359,000 under one set of assumptions (p. 142). Yet the 1971 National Center for Educational Statistics projection for first time students at private institutions for the same year is 469,000 (Simon, 1971, p. 33). Thus, stipulating 400 as a minimum average SAT score for entry, and \$12,900 family income as a minimum ability to pay, we find that the total pool of available students (for both public and private colleges) is smaller than the expected entering class in the private institution. Certainly, the actual distributions of entering private college students find a good many below those minimum figures for both academic ability and family income, but this does illustrate the magnitude of the problem of maintaining enrollment for private institutions. As the college age

population levels and declines, and as higher tuitions are called for by increasing costs, the competition between public and private institutions for students is heightened and emphasized. The Carnegie Commission (1973b) points out that, although the ratio between tuition in private institutions and public institutions has historically been 3:1, it began to rise sharply in the 'fifties, and between 1961-62 and 1971-72, it increased from 3.9:1 to 4.9:1. Obviously, as this gap widens, the number of students willing to pay the premium to attend a private college or university, even though it represents, for them, a preferred choice, will decline. With that decline, diversity of real educational opportunity will shrink.

The causes of fiscal adversity are complex. But, in addition to the difficulty of maintaining enrollment stability or growth, recent increases in the amount and proportion of institutional expenditures allocated to student financial aid have greatly contributed to this adversity.

. . . a very large and increasing amount of money is being spent on direct student aid. This is a considerable burden on private higher education and a very important factor in its deficit condition.

. . . higher education is caught in an ever widening and more vicious cycle. As it moves to demonstrate its social concern by extending scholarship money to those unable to pay even the costs of education assigned to them through tuition, it must find revenue to pay for these student aid expenditures. Typically it has done this, in large part, by raising tuition. In doing so, however, it puts the full tuition charge to the students out of reach for another group of students, who now require subsidy for the difference between last year's cost and this year's. This, in turn, requires further tuition increases, creates still another group needing financial aid, increases the amount of aid needed by the groups previously identified, and so on. . .

Partly because of the way in which certain revenues are balanced against certain other expenditures, but even more because of the rising dollar share of direct student aid, the total current fund deficit for many institutions

very nearly equals the deficit in the subaccount for student aid. The total current fund deficit seems to be growing even faster than the student aid deficit, but there is a high degree of correlation between them. Many a private institution now running a current fund deficit would break even if its direct student aid deficit were lifted from its back (Jellema, 1973, p. 130).

Added to the factors just mentioned is the simple fact that costs of higher education, over recent years, have outrun revenues. Education is labor intensive. Its ability to increase productivity via technology is limited, rightly or wrongly. At any rate, the evidence is persuasive that productivity of higher education has failed to increase over a long time period. While productivity remains somewhat constant, the management of a knowledge and information explosion adds real costs to colleges and universities which are not offset by savings. Over the past decade or so, library costs have increased faster than total institutional costs, just as these were rising faster than national cost-of-living. The cost of purchasing or leasing computers, or shared time arrangements, while necessary for many instructional and research programs, effects no automatic saving to the institution: it is an add-on without a commensurate saving. The net effect of this, for both public and private institutions, is that institutional costs increase faster than costs in the economy as a whole. The Carnegie Commission demonstrates that, between 1959-60 and 1969-70, while the consumer price index was increasing, on the average, 2.5 percent per year, costs per Full Time Equivalent (FTE) student in higher education were increasing 5.8 percent on the average for all institutions, and, for private colleges and universities, 7.7 percent (Carnegie Commission on Higher Education, 1972, p. 35). Need for institutional revenue increases greater than these annual per student averages were, of course, made necessary by rapid enrollment expansion during that same period.

Many observers of higher education are highly critical of poor management practices which, they contend, contribute to financial problems. Both Cheit, and Jellema in the studies discussed indicate their opinions that substantial attempts are being made to improve management quality and techniques. These take the form of efforts to increase revenues, reduce costs, and improve financial decision making. These efforts, of course, may be insufficient:

"Private institutions can be expected to turn to themselves to relieve the continuing imbalance between income and expenditure. This will require more efficient management, an aggressive search for private funds, and some diminished expectations of program; but they must have additional support at the state and federal levels if they are to remain viable." (Jellema, p. 87)

It is, of course, impossible to give a satisfactory fiscal "portrait" of the average independent college or university. The average institution doesn't exist, and the range from which the average is derived is great. As has been indicated, both of the studies mentioned revealed some sound and healthy institutions as well as some troubled ones. In looking at categories of private institutions however, it does become clear that smaller institutions are in greater trouble. More than half of the institutions Jellema defines as smallest (500 students or less) and small (500-100 students) estimated current fund deficits for 1970-71. Of Jellema's total sample (504 institutions), 74 (15 percent) had exhausted all liquid assets. Of these seventy-four, nearly half (35) were in the "small" category. An additional 7 institutions from the "smallest" category were in the same precarious situation. Thus, 42 institutions (or 57 percent) of those whose liquid assets were exhausted were colleges and universities of less than 1000 students.

Projecting future deficits against existing liquid assets, Jellema predicts that (under the current trends) more than one-third of all "small" and "smallest" institutions will be in this predicament ten years hence.

PROFILING INDEPENDENT INSTITUTIONS

The foregoing discussion has attempted to outline the financial crisis in independent higher education. It seems unquestionable that such a crisis exists. Its nature is imperfectly known (for instance, the extent to which it is dependent upon enrollment). Its seriousness is imperfectly known (is the question one of survival; if so, how strongly related to institutional quality is institutional survival?). Its solution is not entirely evident (if adequate resources are put in the hands of students via federal and state student aid programs, will private institutions still require some direct aid in order to maintain health?).

The Chronicle of Higher Education carried a story on college openings and closings (September 24, 1973). While 85 new colleges were opening since the beginning of the 1972 academic year (nearly all public, mostly community colleges), 31 colleges were closing (nearly all private). Many of the closed private institutions were seminaries; any wholesale collapse of comprehensive private institutions is yet to come. But the enforced closing of some private institutions is a reality. Another article in the same issue of the Chronicle described the private college and university situation in quite mixed terms: "Many private colleges and universities, hardest hit by the financial crisis of the past few years, show some signs of recovery, although better finances in the short run

do not necessarily mean an improved picture in the long run, some experts say." The article points to the stabilization of several private institutions whose fiscal problems are well known (Boston University, New York University) as well as the "significant financial improvement as a group" of the Catholic institutions. On the other hand, it also quotes Jellema, from the book already discussed: "The situation is getting worse, not better. . . . For all their brave talk, as a group they (private colleges and universities) have not turned the corner. They cannot last indefinitely."

It is no easier to "profile" the private institutions along other lines than it is in terms of finances. As Stanley Heywood says in his commentary on Harold Hodgkinson's Institutions in Transition (Hodgkinson, 1971), "Yet as one considers institutions of higher learning in the light of this study, one has to come away with a feeling that institutions are most difficult to describe in quantitative terms. A college is not a college is not a college. There is a quality, there is a spirit that comes through as one visits and talks to faculty, administration and students on one campus that does not come through on another." (p. 285)

The task of developing some kind of picture of independent higher education in the United States is further complicated by the decreasing distinction between "public" and "private" institutions. Sources of income reflect this. Thus, while gift income represents 17 percent of the income of private institutions, it also represents 2 percent of that of public institutions. State government support represents 42 percent of income for public institutions, but 2 percent for private. Endowment income is 9 percent of total income of private institutions, but 0.5 percent of that of public (Carnegie Commission on Higher Education, 1973b). While these figures show great differences between public

and private institutions, they also indicate overlap, which, in given institutions, may well be considerable.

Nevertheless, it should be possible to develop some indicators which will help describe independent institutions.

Size is one such indicator. Opening fall enrollment data for 1969 shows the average public institution enrolled 5,603 students (1,060 public institutions enrolling 5,839,719 students). The average private institution enrolled 1,417 students (1,465 institutions enrolling 2,077,272 students), or about 25 percent as many as the average public. While over half of the public institutions enrolled less than 2,500 students, the majority of students attending public institutions were enrolled in those which enrolled 10,000 or more students. Among private institutions, about two-thirds enroll fewer than 1000 students, and about half of all students enrolled in private colleges and universities whose total student population is less than 2500. Thus, the independent institution tends to be small. (There are, however, 25 private colleges and universities enrolling more than 10,000 students each, with a total student population of 450,324.)

Certainly it is not known precisely what influence size has on the quality and functioning of an institution of higher education. There has come to be a widespread consensus that above a point, institutional size adversely affects the quality of the educational environment, but there appears to be no agreement as to precisely what that point is.

Astin and Lee (1972), in a study sponsored by the Carnegie Commission, characterized a large group of independent colleges of relatively small size (less than 2500 students) and moderate selectivity, as "invisible colleges." They are invisible because of their size, local or regional orientation, lack of

substantial resources (endowment), and relatively open admissions policy.

Astin and Lee note the precarious position of most of these colleges, because of the difficulty of competing, at a price disadvantage, with public institutions, lack of support from state or philanthropic sources, and their resulting financial deficits. For these colleges, efforts to gain "visibility" and thus broader support and a more widespread clientele may very well undermine the effective service they give to a local (or regional) and well-defined clientele. In spite of some weaknesses of institutional resources, Astin and Lee argue for the preservation of these colleges. They guarantee diversity. They provide a favorable collegiate atmosphere for many of the students they attract. "By far the greatest environmental difference between public and invisible colleges lies in the student's impression of the friendliness and warmth of the institution, its concern for the individual student." (Astin and Lee, p. 74) ". . . Students attending invisible colleges tend more to feel that their college shows concern for their individual welfare than do students attending other types of four year colleges." (Astin and Lee, p. 68)

In support of this observation, particularly as it relates to small colleges, Arthur Chickering (1969, p. 190) emphasizes that studies suggest that small institutional size is related to individual participation, involvement and satisfaction; and that along with increased opportunities for these may come increased competence, the development of confidence, the development of identity, the freeing of interpersonal relationships, and the development of integrity.

An important way to understand differences between types of colleges is to analyze differences between the kinds of students they enroll. Annually, the American Council on Education publishes a report titled The American Freshman.

Following are some observations on the report on the freshman class which entered college fall, 1971 (American Council on Education).

The age distribution of students among institutions is quite similar, except that the public colleges tend to enroll a somewhat larger proportion (though still small in numbers) of students who are older than the typical freshman (17-19). Private colleges draw larger numbers of their students from more educated, affluent families, and from professional kinds of occupations. Thus, 40-50 percent of private college and university students have fathers with college degrees (undergraduate or graduate), against 22 percent in the public colleges (but 36 percent in public universities). Thirty percent or so of private college students come from families with incomes of \$20,000 or more annually; the corresponding proportion in public colleges is about 15 percent (and in public universities, about 22 percent). But the private colleges also enroll substantial proportions of students from middle and lower income families. More than 20 percent of private college students come from families with incomes under \$10,000 annually, against nearly 40 percent for public colleges (and about 25 percent for public universities). There are also differences among private institutions in this regard: private universities draw about 17 percent of their students from these income groups, private nonsectarian institutions about 25 percent, Catholic colleges 27 percent, and Protestant colleges 25 percent. Differences are greater when comparing proportions of students from affluent families. Private universities draw over 40 percent of their enrollment from families with annual incomes over \$20,000; private nonsectarian colleges about 33 percent, Protestant colleges about 26 percent, and Catholic colleges about 24 percent. Similarly, while private colleges tend to

enroll more students from families where the father's occupation is professional or managerial, and public colleges tend to enroll more students from skilled, semi-skilled and unskilled laboring occupations, there is, again, a good deal of overlap, and a good deal of distinction between types of institutions within the public and within the private categories.

These are only indications. In terms of ability levels, the public-private differences are less clear. Private universities enroll the largest proportion of high ability students (secondary school average of B-plus or higher), public universities the next highest. Among private colleges, private non-sectarian colleges enroll the largest proportion, with Catholic and Protestant colleges enrolling a slightly higher proportion of such students than public colleges. Public four-year colleges and Catholic four-year colleges appear to serve a majority of commuters (or, at least, students living within fifty miles of the college), whereas private nonsectarian and Protestant colleges, along with both public and private universities appear to serve residential students (from more than fifty miles).

It is apparent that while there are observable differences in the populations of the public and private institutions, there is also great overlap. They do not draw their students from entirely different groups along any dimension: income, ability, occupational status, or religion.

In a sense, this discussion points up the degree to which popular understanding of private higher education has been somewhat misled by the most visible of those institutions, which may very well not be "typical" at all. One group of visible colleges consists of those affluent and selective liberal arts colleges which Astin and Lee characterize as "elite" and contrast with their sample

of invisible colleges. These elite colleges tend not to be "typical" of private institutions, since they are highly selective, relatively affluent, and draw from a national constituency. Yet these 44 "elite" colleges (Astin and Lee's figure) are much more identified with private higher education in the popular understanding than these 494 invisible colleges. A second group of private institutions which seems disproportionately effective in defining private higher education consists of those large and prestigious private universities who occupy places of leadership in graduate education and research. For instance, of the twenty institutions awarding the largest number of doctoral degrees in the period 1959-60 to 1968-69, nine are private. But they are not "typical" private institutions, any more than are elite liberal arts colleges. And while supporters of private higher education might look with satisfaction upon the leadership and standard of quality these institutions exert, to view them as "typical" may be deceiving with respect to the fiscal strength and programmatic viability of all private higher education.

Another sense in which these two groups of prestigious institutions are misleading with respect to the total population of private institutions of higher education is that, while most were founded as church related, few remain so. Yet, of the total number of private colleges and universities in the United States (1465), 60 percent (881) are church related. The historical shift of American higher education from an education which was founded as specifically religious, to one which defined its mission to exclude both religious belief and inquiry is interesting. Nevertheless, responding to forces of changing clientele, broadened geographic horizons, shifting structure of knowledge and canons of intellectual inquiry, as well as the "wall of separation" between

church and state in a society where education would perforce become increasingly dependent upon state support, the religious commitment of higher education has moved increasingly from center stage to off-stage. Nevertheless, the needs presumably met by that commitment still exist, though expressed differently.

What is needed, said Kenneth Keniston is "an education and an environment that encourages students to gather intellect, ethical sense, and action into one related whole."

One of the factors perpetuating the fragmentation of knowledge is the exclusion of theology from serious study and interaction with other fields. From a monopoly, theology proceeded to a position of primacy, from primacy to equality, from equality to bare toleration, and then to exclusion. The effort to aid students to achieve a sense of the wholeness of knowledge is severely limited on any campus where they must proceed in virtual ignorance of this area. This need not be the case at the Christian college (Averill and Jellema, 1971, p. 97).

This same kind of thought was expressed, not necessarily with specific reference to church-related higher education, by Landrum Bolling, President of Earlham College:

Most particularly, our private colleges and universities need to set for themselves explicit goals related to what perhaps we might best call character development. By now it should be evident to all thoughtful men that the most urgent requirements for human survival are qualities of maturity, responsibility, and life-affirming creativity. The transmission of facts, information and skills, essential as this is to education, is not enough. Moreover, it is also clear that our increasingly fractionated society is apparently not now able through the home, the church and the community to provide adequately by character-developing influences (Bolling, 1970).

It is ironic that, just as there seems to be a somewhat general renaissance of religious interest and activity, and a growing move to restore the legitimacy of academic religion on public campuses, many church-related colleges, perhaps for a complex of reasons, are moving away from those commitments.

Clearly, one such reason is the fear of ineligibility for state or federal support (I will discuss the constitutional question later). It is truly ironic that in a decision invalidating a program of state grants to students attending private institutions as being in violation of a state constitutional prohibition of state support to sectarian controlled institutions, the decision included an exhortation that these institutions retain their traditional church ties:

The findings of fact demonstrate that, in different degrees, all of these institutions were founded upon and continue to be dedicated to some element of sectarian purpose and influence. For this, their foresighted founders, their devoted supporters and their dedicated personnel are to be commended. Their efforts and principles should not be deleted by the temporary gain of money diverted from the public treasury, since an inevitable by-product of this effort would be a weakening of such devotion and dedication. This is one of the very results sought to be avoided by the clear prohibition of article 9, p. 4 (Weiss v Bruno).

If the condition of private, church-related colleges is indeed dire, such an exhortation is like blessing a starving man.

Church-related higher education is certainly associated with the tradition of the liberal arts college. While it would be ignoring the diversity, richness and complexity of American higher education to say that this association is in any sense exclusive, it is interesting to note that the leadership of private colleges and universities is drawn heavily from the humanities disciplines. Studying "institutions in transition," Hodgkinson (1971) found that among private-sectarian colleges and universities, 45.3 percent of presidents indicated "humanities" as their academic area. For private-non-sectarian institutions, the comparable figure was 27.9 percent, and for public institutions, 9.6 percent. This suggests that the concerns expressed in statements by Bolling

and Jellema are likely to be actively pursued by the leadership of these private institutions.

It is said that independent colleges and universities are more autonomous than are public institutions. Certainly this is at least inherently true. Decision making in private colleges and universities is less subject to the external constraints of state or local legislatures, departments of finance, and so forth (though within the public sector the practical force of such constraints certainly varies).

There are two important advantages to this autonomy. (1) It permits an institution to maintain a focus or emphasis upon mission, purpose or clientele which, if it were less autonomous--more subject to the pressures and demands of external forces--it might be unable to do. (2) It also permits an institution to be more innovative and experimental in its various activities and structures: governance, curriculum, calendar, arrangements of facilities, and so forth.

It must be said that the exercise of these consequences of autonomy, as opposed to their inherent potential, has been less than vigorous among private institutions. One of the conclusions expressed by Harold Hodgkinson resulting from his major study of change and diversity in higher education was that:

"Taken as a whole, the amount of institutional diversity in American higher education is decreasing. This is due partially to the pervasive existence of a single status system in higher education, based on the prestigious university offering many graduate programs and preoccupied with research. There are few alternative models to this system now functioning." (Hodgkinson, 1971, p. xv)

It is also increasingly untrue to say that the private sector of higher education is the innovative sector. Especially within the past ten years,

public institutions at every level--community colleges, four-year colleges, and universities--have demonstrated a leadership in imaginative new ideas which would certainly disprove such a notion.

While the foregoing discussion does not serve to "define" private higher education, it does suggest some ways in which we might talk about distinctive roles, functions, or characteristics of private, as differing from public, institutions of higher education. Obviously, not all private institutions are small, not all are church-related, not all are financially beset. But these features do characterize a large number of the country's private institutions. Most are small, the majority are church-related, the majority appear to be in some financial difficulty.

Discussion of these characteristics is particularly appropriate to a study of higher education in Montana since its three private colleges are small, church-related, and appear to fall quite clearly into the category of private institutions which Astin and Lee characterized as "invisible colleges."

STATE INTEREST IN INDEPENDENT HIGHER EDUCATION

The foregoing discussion will allow us to move into a specific consideration of private higher education in the context of state policy. If, nationally, there is increasing application to the state, for support of private higher education (and a review of existing programs which will be made shortly emphasizes the magnitude of that application), policy-makers need to know the public-policy justification of such support.

What factors should determine public policy with respect to support for

independent higher education? It would seem that there are four broad categories under which the issue of public interest might be determined: existence (or survival), quality, function, and purpose. Four major questions can then be asked by policy-makers considering the question of state support: Is the existence or survival of these institutions a matter of state concern? Is the quality of these institutions a matter of state concern: Are the functions of these institutions a matter of state concern? Are the purposes of these institutions a matter of state concern? These are separate, but interdependent questions.

Is the existence or survival of these institutions a matter of state concern?

This question, like the others, can be answered in the negative. Unlike the subsequent questions, however, a negative answer to this question is definitive in respect to support; a negative answer means no state aid. There is, however, strong presumptive evidence for a positive answer. First, most states charter private institutions, and thus are known to have an interest in the founding of the institutions at some minimal level of quality. Secondly, most states exempt these institutions from various forms of taxation, an indirect kind of subsidy. Third, in recent years, an increasing number of states have developed a variety of programs in direct and indirect support of the independent colleges and universities.

What are the state interests that might urge a positive answer to the question of survival of the private institutions beyond the presumptive evidence just mentioned? The state might be interested in any or all of the following aspects of the existence of private institutions: diversity, choice, access. These factors are interrelated. The state may find that it is in its interests

to preserve and insure a diversity in the system of higher education both public and private, within its boundaries. Diversity may be found to promote institutional and systematic health as well as facilitating maximum student choice. That choice is the second aspect of potential state interest related to the question of existence of independent institutions. It may be determined that the existence of independent colleges and universities provides kinds of higher education experiences for students to choose which are not provided by the public system alone: kinds of experience defined, for instance, by some of the qualities mentioned above in profiling private institutions: smallness, church-relatedness. Access, primarily a function of location, but also of cost and admissions selectivity, simply means that the state may find in its interest the support of colleges or universities in certain areas, which broadens opportunities to attend college beyond those provided by public institutions. Warren Willingham, in a state-by-state analysis of the question of access, has concluded that "Only 31 percent of Montana's population live within commuting distance of a free-access institution, but the state is so sparsely populated that very few additional colleges could be easily justified on the basis of proximity to people. The existing free-access institutions are well-distributed, except for the minor puzzling fact that Great Falls. . . . does not have a free-access college." (Willingham, 1970, p. 118).

Is the quality of these institutions a matter of state concern?

If the question of existence is answered positively, does the state have an interest in the quality of the independent institutions? Presumably, the state's support of the survival of private institutions might be at a level of performance

or quality below that of public institutions, and below that which the policy-makers would consider minimal. This issue has figured in the decisions of some states (New York, for example) to support private higher education. Support of quality improvements above some stated minimum would, of course, require considerable analysis of the costs and benefits of such support.

Are the functions of these institutions a matter of state concern?

Some states have extended support to independent institutions for specific programs or functions. This issue involves the question of access, as discussed above (for instance, should a specific program be made available to students in an area where no public institution is located to provide it?) as well as the question of whether a specific function or program can be operated more effectively or efficiently at a private institution than a public. Existing facilities for a high-cost program, for instance, might bear upon this question. Examples of this sort of policy include contract payments for medical schools such as Florida's to Miami University, as well as the establishment, in New York State, of Cornell as the Land Grant College, and of the SUNY Forestry College at Syracuse University.

Are the purposes of these institutions a matter of state concern?

Again, this question is related to that of access. Is it a state interest to insure the opportunity for students to choose from among institutions whose purposes may include some not presently provided by public institutions (for instance, experimental colleges, or liberal arts colleges), or purposes not open to provision by the state (for instance, commitment to specific religious or philosophical beliefs).

PATTERNS OF STATE SUPPORT

I have tried to illustrate that whether state support should be extended to independent colleges and universities is a policy issue related to the four questions just discussed: Is the existence or survival of these institutions a matter of state concern? Is the quality of these institutions a matter of state concern? Are the functions of these institutions a matter of state concern? Are the purposes of these institutions a matter of state concern?

Once these questions are answered, the question of how such support should be given may be raised. It is a separate but related policy question. The range of answers is quite broad, as illustrated by the variety of existing forms of state aid to independent higher education. This range is depicted in Table 3. The various forms of existing state aid to independent colleges and universities displayed there reveal the variety, and, to some extent, the differential policy objectives presently being pursued by the states through these programs.

I have divided all programs into three broad categories of modes of assistance: aid provided directly to students (through scholarships, loans and so forth), and aid provided to institutions directly (through contracts or statutory aid programs), or indirectly (through facilities authorities, interinstitutional programs, and so forth).

Aid to students may serve a number of policy objectives. Within the general constraints of the state budget, policy-makers are able to express state policy with respect to diversity of educational choice. If a program is based upon need, it should increase student diversity of choice for a broad group of students, particularly at lower income ranges. If ability is also a factor, selective institutions may be aided more than non-selective ones. The higher

Table 5

Form of Assistance	Form of Assistance	Purpose	Eligibility/Qualifications	States Employing
to students	Scholarships and Grants	General student support	Ability and need to attend college in or out of state	Connecticut, Massachusetts, New Jersey, Pennsylvania, Rhode Island, Vermont
			Ability and need (in-state)	California, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, New Jersey, New York, Oregon, South Carolina, Wisconsin
			Need (in-state--public and private)	Alabama, Kansas, New York, North Carolina, Ohio, Oklahoma, Oregon, Tennessee
			Private colleges only	Maine, Nebraska, Kentucky
			Special student support transfer students	New Jersey, Connecticut
			Private colleges except sectarian	Georgia
			Veterans' survivors	Connecticut, Maryland
			Orphaned student	California
			Vocational education	Iowa, Wisconsin
			Religious/other	Alabama, Kansas, New Jersey, Vermont, Wisconsin

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State of residence	Form of assistance	Purpose	Limitations/qualifications	States employing
			Legislative work	Maryland
			Critical occupations	Wisconsin
		Disadvantaged students	Need/low income	California, Connecticut, Iowa, New Jersey, New York, Ohio, Wisconsin
		Twice exception	Private colleges only	Alaska, Texas, Wisconsin
Loan		General student support		Connecticut, Florida, Michigan, Minnesota, Nebraska, New York, Ohio, South Carolina, Virginia, (Ohio suspended)
			Forgivable loans	Virginia, Alaska
		For teachers		Virginia
York/Carney				Connecticut, Minnesota
Contributors		Enrollment	General undergraduate	Connecticut, New Jersey, North Carolina, Oregon
			Professional/(medical, dental) legal, nursing, teaching	Michigan, South Carolina, Tennon
		Enrollment increments	General	Minnesota
			Medical/dental/nursing	California, New York Tennessee
			Low income residents	Minnesota

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Mode of Assistance	Form of Assistance	Purpose	Limitations/Qualifications	States Employing
		Out of state enrollment in private institutions		Massachusetts, New Mexico
		Facilities		Connecticut, New Jersey
	Direct statutory aid	General block grants		Alabama, Pennsylvania
		Special block grants		Ohio, South Carolina, Wisconsin
		Enrollment	Per student	Illinois, New Jersey
			General	New York, Connecticut
		Enrollment	Per student--special	New Jersey, New York, Connecticut
			Per degree	New York, Maryland
		Program development		Minnesota
		Endowed chairs		New York
		Emergency		New York
		Special service		Connecticut, Pennsylvania
		Facilities		New York, Maryland
	Indirect Aid	Facilities authorities		California, Connecticut, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Virginia
		Tax exempt bond issuing power for colleges		South Carolina

Note of Assistance	Form of Assistance	Purpose	Limitations/Qualifications	States Employing
		Inter-institutional support	General	Illinois
			TV	Minnesota
			Libraries	Minnesota
		Centralized purchasing through state		South Carolina
		Tax credits		Indiana
		Tax rebates		Michigan
		Tax exemption		

the maximum award, the broader the range of income groups served. Tying size of awards to tuition, to the tuition differential between public and private institutions, or to some percentage of the average cost per student at public institutions may reflect state policy towards equalizing the price competition between private and public institutions, encouraging commuting rather than boarding, shifting some enrollments from public institutions (supported at full cost to the state) to private institutions (where state subsidy would be supplemented by tuition plus institutional subsidy), and so forth. Policy can also be executed through the targeting of special groups of students: veterans' survivors, medical or other professional students, disadvantaged students, and so forth. State policy is also reflected in the form of aid: grants, loans, work/study assistance, and so forth. It should be apparent from the range of programs displayed in Table 3 that a good many policies are--consciously or unconsciously--being pursued by states who conduct programs of aid to independent institutions.

Direct institutional aid is provided through contractual agreements or programs of institutional grants. The policy purposes appear to be the same, except that the contractual method seems less likely to be found illegal, under either the United States' or the individual state constitutions. Again, a variety of policy objectives appear to be served by these programs. General support through a formula based upon enrollment (which provides broad financial relief for private institutions), enrollment increase (to utilize surplus capacity of private institutions), or degrees (which reward the efficiency of high retention rates). These programs, too, reflect state policy in supporting programs for specific kinds of students (for instance, medical students).

Similarly, indirect aid reflects a range of state policy objectives.

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Table 4

State	Total 1972-73 Appropriations for Higher Education -- \$'s	Direct Appropriations to Institutions of Private Higher Education, 1972-73	Total State Scholarship Funds Appropriated, 1972-73	% State Scholarship Dollars Awarded to Private Institutions	Total State Appropriations to Private Higher Education (Direct & Indirect) -- \$'s	Percent of Total State Appropriations for Higher Education to Private Insti- tutions	% of State Enroll- ment in Private Inst.
Alabama	106,440,000	475,000	None	-	475,000	0.4	15.0
Alaska	21,978,000	1,337,000	4,200,000	28.5	2,537,000	11.5	8.6
Arizona	112,712,000	None	None	-	None	0.0	1.9
Arkansas	56,371,000	None	None	-	None	0.0	15.7
California	1,009,272,000	None	26,708,236	80.0	18,800,000	1.9	10.3
Colorado	115,243,000	None	None	-	None	0.0	11.4
Connecticut	113,724,000	1,194,000	2,026,000	38.6	1,976,036	1.7	39.7
Delaware	25,887,000	None	None	-	None	0.0	14.8
Florida	302,112,000	3,055,000	600,000	55.8	3,385,000	1.1	18.6
Georgia	177,819,000	None	2,800,000	100.0	2,800,000	1.6	18.6
Hawaii	64,478,000	None	None	-	None	0.0	9.3
Idaho	36,785,000	None	None	-	None	0.0	21.0
Illinois	516,726,000	26,250,000	59,700,000	60.0	62,070,000	12.0	29.0
Indiana	210,595,000	None	16,534,875	52.0	8,598,135	4.1	26.8
Iowa	125,505,000	500,000	4,223,154	97.0	4,600,000	3.7	35.4
Kansas	93,087,000	819,000	1,150,000	87.0	1,819,000	2.0	12.6
Kentucky	139,485,000	None	2,500	-	-	-	19.3
Louisiana	146,664,000	None	None	-	None	0.0	15.5
Maine	33,612,000	None	180,000	87.0	150,000	0.4	28.4
Maryland	159,156,000	2,000,000	3,425,000	-	2,000,000+	Not com- puted	19.7

State	Total 1972-73 Appropriations for Higher Education -- \$'s	Direct Appropriations to Institutions of Private Higher Education, 1972-73	Total State Scholarship Funds Appropriated, 1972-73	% State Scholarship Dollars Awarded to Private Institutions	Total State Appropriations to Private Higher Education (Direct & Indirect)-- \$'s	Percent of Total State Appropriations for Higher Education to Private Insti- tutions	% of State Enroll- ment in Private Insti-
Massachusetts	154,451,000	None	8,000,000	80.0	6,400,000	4.1	59.7
Michigan	417,815,000	2,744,400	13,832,000	58.5	10,810,400	2.6	13.2
Minnesota	174,040,000	3,335,000	5,000,000	50.0	5,835,000	3.4	18.8
Mississippi	None	-	None	-	None	0.0	11.8
Missouri	161,464,000	None	105,000	-	-	-	27.7
Montana	30,798,000	None	None	-	None	0.0	09.0
Nebraska	56,780,000	None	500,000	100.0	500,000	0.9	21.0
Nevada	20,656,000	None	None	-	None	-	0.8
New Hampshire	12,880,000	None	None	-	None	-	45.1
New Jersey	236,280,000	11,931,000	23,222,367	55.1	24,703,302	10.5	30.5
New Mexico	50,968,000	None*	None	-	None	-	8.2
New York	822,425,000	50,720,000	121,100,000	35.0	93,073,800	11.3	40.5
North Carolina	223,486,000	1,748,500	None	-	1,748,500	0.8	27.1
North Dakota	27,476,000	None	None	-	None	0.0	4.3
Ohio	325,105,000	2,680,000	16,160,000	45.6	10,048,960	3.1	24.7
Oklahoma	81,720,000	None	Not funded	-	None	0.0	15.9
Oregon	106,990,000	1,000,000	1,296,303	15.8	1,204,816	1.5	11.6
Pennsylvania	388,874,000	28,242,000	58,832,049	46.5	55,598,903	14.3	42.4
Rhode Island	40,029,000	None	539,400	-	Not computed	-	44.7
South Carolina	104,980,000	200,000	150,000	100.0	350,000	0.3	30.4

State	Total 1972-73 Appropriations to Higher Education -- \$'s	Direct Appropriations to Institutions of Private Higher Education, 1972-73	Total State Scholarship Funds Appropriated, 1972-73	% State Scholarship Dollars Ave. to Private Institutions	Total State Appropriations to Higher Education (Direct & Ind.) \$'s	Percent of Total State Appropriations for Higher Education to Private Institutions	% of State Enrollments Private
South Dakota	22,736,000	None	None	-	None	0.0	21.0
Tennessee	127,994,000	220,000	1,170,000	70.8	1,132,600		25.4
Texas	463,528,000	7,000,000	3,000,000	100.0	10,000,000	2.2	17.1
Utah	57,195,000	None	None	-	None	-	38.4
Vermont	16,743,000	None	2,380,000	22.1	526,055	3.1	44.8
Virginia	185,756,000	None	750,000	-	None	-	17.5
Washington	190,467,000	None	1,784,200	64.2	1,113,492	0.6	11.2
West Virginia	77,922,000	None	425,000	21.2	107,100	0.1	18.2
Wisconsin	257,243,000	1,877,000	4,921,523	81.3	5,879,215	2.3	14.7
Wyoming	18,316,000	None	None	-	None	-	0.0

Total 8,528,509,000

Source:
Chronicle of
Higher Education, Nov. 13,
1972, compiled
by M.M. Chambers

Source:
Education
Commission
of the
States

Source: Nat'l. Assoc. of St. Scholarship Programs, Fifth Annual Survey, and, Education Comm. of the States

Source: Nat'l. Soc. of St. Scholarship Programs, Ibid.

Source: Fall Enrollment Higher Education 1970, Dept. Health Education & Welfare

FEDERAL POLICY

Budget constraints make it imperative that federal and state policy be coordinated, as they have not been in the past. The pattern of federal support which emerged in the Education Amendments of 1972 represents a victory of the philosophy that aid should flow through the student to the institution, rather than being distributed directly to the institution. Federal policy appears to be moving in the direction of enlarged funding of student aid programs (although funding levels thus far have crippled the effectiveness of this policy), which means that what is being supported is: greater diversity of student choice and mobility; increased college access for low income students, and a better functioning of the "market" for higher education which should have the effect of increasing institutional responsiveness to student needs and interests. State policy should be made with an understanding of federal policy, so that state programs may be designed to work cooperatively with, and take advantage of, federal programs. One such program of great interest to state policy-makers is the State Student Incentive Grant Program, authorized by the Education Amendments of 1972, but not funded in the initial year that statute became effective. This program calls for an allocation of \$50 million in the initial year to be used as matching funds for state programs of grants for student assistance, the appropriation to be distributed to states on the basis of their proportion of the total enrollment of students in higher education. The original purpose of the program was to stimulate increased effort by states, so that matching funds were applied to increased state appropriations, but there has been discussion about matching all effort. On October 3rd, Education Daily reported that the Senate committee has provided for that program to be funded at a level of

\$30 million for the coming fiscal year.

Proprietary Institutions

The Educational Amendments of 1972 also provided for the establishment of "Postsecondary Education Commissions" ("1202 Commissions") in each state, for the purpose of comprehensive planning, among other functions. While not funded, this part of the legislation required that these commissions, in order to be eligible for federal funding, "be broadly representative of the public and private nonprofit and proprietary institutions of postsecondary education." The inclusion of proprietary institutions represents a growing recognition of the importance of these institutions, considered by some observers to be part of the "periphery" of postsecondary education, as well as more generalized movement, on the part of students, institutions, and policy-makers, to conceive of postsecondary education as much more flexible, in time and space, more discontinuous and responsive to changing needs, than the traditional concept of a sequential, unbroken, and somewhat rigidly prescribed set of experiences, in a clearly defined location (campus) which has generally been the image of higher education in the United States. The Carnegie Commission on higher education, in its reports and publications, has done much to clarify and legitimate this new perception of postsecondary education.

The policy implication is that a state should also consider, in looking at those institutions which contribute to the diversity of student choice with regard to college, these institutions in the "periphery" of traditional higher education. The first Directory of Postsecondary Schools with Occupational Programs

was published by the National Center for Educational Statistics in 1973 (Kay, 1975). It lists a total of 8,187 such schools: 1,796 of which are public (community colleges, area vocational/technical schools); 5,036 proprietary; 27 independent and nonprofit (health-related technical programs, and so forth); and 420 church-related. Most of the proprietary schools are technical, business and commercial, cosmetology, flight, trade or correspondence schools. Of the total of 54 occupational schools listed in Montana, 11 are public, 37 proprietary, 2 independent nonprofit, and 4 church-related. Little has been done nationally to assist policy-makers in understanding these institutions. However, there are strong indications that: (1) enrollment in them is increasing more rapidly than in the public and private collegiate institutions; (2) the schools are tending to move from sole proprietorships into corporate ownership, which may imply assimilation into large networks of such schools (the Bell and Howell story has been widely publicized. Northwood Institute of Michigan has developed into another such "network."); unlike private colleges and universities, many of these proprietary occupational schools may be financially sound and increasingly so.

Students attending these institutions may be eligible for Basic Educational Opportunity Grants, Federally Insured Student Loans, and Veterans Administration assistance. Although these institutions will pose certain controversies (accreditation, quality, placement performance), policy-makers at the state level must investigate and consider these institutions in developing any new support programs for independent postsecondary education.

THE CONSTITUTIONAL QUESTION

The question of whether state aid to private higher education is desirable from a policy standpoint must be accompanied by the question as to whether it is permissible from a constitutional and statutory standpoint.

The federal constitutional question has been addressed by the Supreme Court. In general, its response has been encouraging to advocates of independent higher education. In Tilton v. Richardson the Court, by a narrow 5-4 decision, upheld the constitutionality of the Higher Education Facilities Act with respect to four church-related colleges in Connecticut. Of great importance in its decision was the application of three "tests" which were based upon prior cases involving the Establishment clause of the Constitution, and which the Court had articulated in another decision rendered the same day (June 28, 1971). Ironically, the application of these tests resulted in an adverse decision with respect to programs of state assistance to religious elementary and secondary education. The tests are: "First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion. . . . finally, the statute must not foster an excessive government entanglement with religion." (Wilson, 1972, p. 22) At issue in the Tilton case was federal aid for facilities construction. Two years later (June 25, 1973) the Court upheld the constitutionality of a South Carolina state program involving construction loans, made to a church-related institutions. The Court followed the same tests it had employed in deciding the Tilton case, and affirmed that the "Establishment Clause does not prohibit all programs which in some manner aid institutions with religious affiliations." (93 Supreme Court Reporter 318A, p. 2869) At the same time, the Court refused to review another South Carolina

case in which a lower court had upheld the constitutionality of a student loan program.

These decisions provide some basis for presuming the legality of programs of aid to private institutions under the United States Constitution. The court has not, however, specifically addressed itself to the question of aid which flows directly to students in the form of grants, or directly to institutions in forms other than grants for facilities. Some such programs are presently under litigation in several states.

As they are decided, presumably the courts will look to the cases mentioned for aid in testing legality. Though the court has made a clear distinction between the schools and higher education, it has not been terribly clear in the determinants of a disabling "sectarianism."

Each form of aid must be separately scrutinized, and each church-related college must be examined individually to determine its constitutional eligibility. There is no uniform or predictable "test" that can be applied to make those judgments. Rather, the constitutional restraint consists of nothing more than a "blurred, indistinct and variable barrier depending on all the circumstances of a particular relationship." And each particular relationship or program must be set against a series of criteria that must be applied cumulatively. It is fair to say that the constitutional status of aid to church-related higher education is far more confusing today than it was ever thought to be prior to the Tilton and Lemon decisions (Wilson, 1971, p. 36).

Federal constitutionality is not the only operative legal constraint.

Most states also have constitutional or statutory prohibitions against or restrictions on state aid to church-related institutions. Some of these are more absolute than the federal constitution. Litigation is presently underway in at least five states to test individual state programs, either under state or federal constitutions, or both. This litigation (in Tennessee, Kansas, Kentucky,

Virginia and Maryland) covers some of the types of aid which have not yet been specifically reviewed by the courts.

Washington, in a case argued before its Supreme Court (Weiss v. Bruno, and Weiss v. O'Brien, 509 Pacific Reporter, Second Series, p. 973) invalidated a public supplement program for students attending private institutions, but held an aid program of state employees. The decision holds that the supplement program "maintained and operated" schools under sectarian control or influence, contrary to a state constitutional prohibition (509 Pacific Reporter, Second Series, . . . 973).

Article X Section 6 of Indiana's Constitution reads:

The legislature, counties, cities, towns, school districts and public corporations shall not make any direct or indirect appropriation or payment from any public fund or monies, or any grant of lands or other property for any sectarian purpose or to aid any church, school, academy, seminary, college, university, or other literary or scientific institution, controlled in whole or in part by any church, sect, or denomination.

This proscription, which appears absolute, and encompassing, would be a major consideration of any program which sought to support private institutions. I am not competent to judge whether all forms of support, including student aid, are thereby excluded, or whether a constitutional revision would be necessary to make any such aid legal. The appropriate action would be for legal opinion to be sought in the initial stages of formulating any policy which sought to render such aid, either directly or indirectly, to private institutions.

POLICY ALTERNATIVES

With the preceding discussions as background, I would like to present a list of options for state policy with respect to independent higher education:

1. Nothing. A policy of inaction would assume that (1) independent colleges and universities are financially sound, or (2) they are not sound, but their fiscal condition is not a matter of state interest, and (3) maximum institutional diversity and student choice (beyond that provided by public institutions) are not a matter for state interest.

2. Policies which assume maximum institutional diversity and maximum student choice to be a state concern.

(a) Student aid based upon need.

(b) Student aid based upon need and ability. (Aid would probably be distributed among students of similar ability equitably, but would probably be inequitably distributed among institution.)

It should be noted that direct student aid indirectly aids institutions if the assumption is made that enrollment increase or enrollment stability would contribute to fiscal health. Proponents of independent higher education generally point to lack of enrollment growth as a major source of the economic problems of these institutions.

Related to the above measures in terms of improving the terms on which independent colleges "compete" for students with public institutions would be a decision to raise tuition levels in public colleges and universities. It does seem probable that such an action would restore the present ratio between public and private tuitions to more historic levels (as discussed earlier), and thus

reduce the price disadvantage of private institutions. This policy has been supported by the Carnegie Commission (1973), as well as by the HEW task force on higher education, chaired by Frank Newman (The Chronicle of Higher Education, October 29, 1973) and the Committee for Economic Development (The Chronicle of Higher Education, October 1, 1973). The Newman task force emphasizes the need to restore equity in the price competition between public and private institutions, and supports the Carnegie recommendations of a gradual increase in public tuitions: "To preserve the conditions necessary for this competition (between public and private institutions) to continue, the federal government should give priority to strategies of postsecondary finance, particularly revision of its programs of student aid, which would narrow the tuition differential between public and private institutions without compromising the autonomy of either." The Committee on Economic Development, noting that "tuition charges at many colleges and universities are unjustifiably low," recommended raising public tuitions, over time to 50 percent of instructional costs. This position suggests that proposed tuition increases may indirectly aid private colleges, but is also based upon some important assumptions about: what portion of costs should be borne by the student and his or her parents; what portion of benefits of higher education flow to individuals as opposed to society; and, whether low tuitions represent a subsidy to higher income students at the expense of access opportunities of low-income students. Added to these complexities are extremely important legislative and administrative considerations such as the need, if access is to be preserved, of tuition raises to be accompanied by increases in availability of financial assistance, in various forms. The question of how such aid should be distributed, and the reality of an underfunded and confusing federal

aid policy, suggest that these problems will not be soon resolved. It also suggests, along with the points previously made, that decisions about tuition in the public sector cannot be made solely as a policy of indirect aid to private institutions. It must be argued within the context of a fairly broad set of philosophical assumptions, as well as specific information about the network of public and private institutions in a given state.

Policy aimed primarily at the economic health of institutions, and assuming they are in trouble.

- (a) Block grants to institutions.
- (b) Contracts or statutory grants to institutions to subsidize enrollment on a per capita basis.
- (c) Contracts of statutory grants to institutions based upon degrees awarded.
- (d) Cost of student overrides based upon number of scholarships or other state aid awarded, or upon a proportion of the difference between cost-per-student at state institutions and tuition charges at the independent institution.
- (e) Provision of services on a statewide level, to institutions upon request. Such services might include advisory, such as management consulting, organizational development, curriculum development, or direct services such as computerized data processing.

This last form of aid might reflect emphasis upon institutional efficiency, while the previous four emphasize effectiveness.

4. Policy which--irrespective of assumptions regarding fiscal health of private colleges and universities--seeks to maximize their location or their special facilities for specific purposes.

(a) Contracts or direct grants to establish special programs based upon total program costs or per capita costs. This approach would be indirect aid to institutions insofar as it led to greater utilization of underutilized facilities, or included supplement for administrative costs or overhead.

5. Policy which would seek to have independent institutions absorb some of the total of projected increases in state higher education enrollment, at a lower per student cost to the state.

(a) Contracts or grants for enrollment increments on a per capita basis, with the unit subsidy based on a proportion of per student costs at public institutions.

6. Policy aimed at eliminating duplication of effort among private institutions, or between public and private; or at promoting sharing of high cost facilities or programs.

(a) Contracts or grants for establishment of interinstitutional cooperative programs.

7. Policy to encourage development of certain kinds of high-cost training or research programs.

(a) Contracts or grants to underwrite such programs perhaps on an institutional proposal basis.

(b) Targeted scholarships with fairly high cost-per-student overrides to institutions.

8. Policies which seek to indirectly aid institutions without direct expenditure of tax revenues.

(1) Tax exemptions, tax credits, and tax rebates.

These do not exhaust the possible means of aiding independent institutions. Further, many represent policy options which are interrelated with other questions, as has been discussed in connection with the question of increasing tuition in public institutions.

The essential question, that of action vs. inaction, must be based, in a given state, upon policy assumptions about the public service performed by higher education, and the facts with respect to the fiscal condition of these institutions (as well, of course, upon the constitutional or statutory constraints on public aid to private institutions). This paper has tried to discuss some of the aspects of those issues.

Important support has been given to the concept of state aid by agencies such as the Carnegie Commission. In its report on financing (1973), it noted that:

We have urged all states to develop state scholarship programs, and have recommended that federal matching monies be made available under the Higher Education Act of 1972. We have also encouraged states to take action to gradually narrow the tuition differential between public and private institutions, including the granting of direct institutional aid to private colleges. At the present time five states have such direct grant programs in effect (Illinois, Maryland, New York, Oregon, and Pennsylvania), three others have contractual arrangements with private institutions for supporting study in particular fields. . . . In view of the external benefits that accrue to society from both public and private colleges, we have encouraged states to assume greater responsibility for assuring the fiscal health of the private sector. On the other hand, we have cautioned against state assistance that would be greater than one-fifth of the cost of

education in a comparable public institution, partly to assure the continued independence of the private institutions, and partly to ensure that total subsidies per student (from both public and philanthropic sources) in private colleges do not exceed those made available for students selecting to attend a state college or university (pp. 183-185).

The determination of the extent to which a private institution is meeting "public" needs as opposed to exclusively private ones is not an easy matter. Ernest Boyer, Chancellor of the State University of New York, emphasized this issue in an address last March. "I do believe in direct public aid to private institutions, provided those colleges help the state meet clearly defined, explicitly stated public needs and provided they operate such programs on the basis of standards equally comparable to those imposed upon the public institutions. This is the price that private institutions should be willing to pay for public support." Boyer's price, "affiliation with a public institution. . . which legally is charged with the responsibility of public education," may be extreme. That the institutions clearly be serving a public purpose, and meet objective standards, seem incontrovertible. A measure of accountability accompanying such aid is a requisite. It may or may not be a loss of autonomy to meet standards, submit to some kinds of audit, and provide standardized data. It would seem, however, to be a minimal price for the kinds of support discussed.

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APPENDIX A

STATE SUPPORT OF PRIVATE HIGHER EDUCATION: PROGRAMS IN OPERATION OR APPROVED IN THE 50 STATES AS OF JANUARY 1973

STATE	CONTRACTS	DIRECT INSTITUTIONAL AID	DISADVANTAGED/ MINORITIES	FACILITIES ASSISTANCE PRIORITIES	MEDICAL DENTAL NURSING	STUDENT ASSISTANCE	OTHER
ALABAMA	None	(a) Two-year Appropriations: Funding: 1971-73, \$76,000,000/yr. Walker, Jr., \$200,000/yr. Martin, \$200,000/yr. Restrictions: None (a) See Column 5 (medical)	None	(a) Direct Grants (Col 7) could be used for facilities.	None	(a) New student tuition grant program to be proposed to 1973 legislature. (a) Scholarships: Loans for use at accredited in-state or out-of-state institutions. Funding: 1972-73, \$1 million. Distribution: Amount based on need. Units: \$2,500 a year for undergraduates, \$5,000 a year for graduates. Restrictions: Limited to 1-year Alaskan residents; forgivable per cent rate dependent on residence and employment in state after graduation. 30 per cent forgiven for 1 year up to 40 per cent for 5 years.	None
ALASKA	None	(a) See Column 5 (medical)	None	None	(a) Support of baccalaureate program at Alaska Methodist University. Funding: \$137,000 for fiscal 1973.	(b) Grants to students attending Alaskan private institutions. Funding: Estimated cost, 1971-73, \$1.2 million. Distribution: Provides tuition and fees difference between public and private institutions. Premium: \$1,400 per year.	None
ARIZONA	None	None	None	None	None	None	None
ARKANSAS	None	None	None	None	None	None	None
CALIFORNIA	(a) See Column 5 (medical)	None	(a) College Opportunity Grant Program. Funding: 1972-73, \$4.8 million. Distribution: Tuition plus subsistence up to \$900 per year.	(a) Educational Facilities Authority. Purpose: To issue tax-exempt bonds for construction of facilities.	(a) Contracts with independent medical schools to increase enrollments—1971 legislation. Funding: \$12,000 per year for each additional student enrolled.	(a) State Scholarship Program. One-half of awards and 80 per cent of funds for students in private institutions. Funding: 1971-73, \$33.5 million. (continued next page)	None

STATE	1 CONTRACT	2 DIRECT INSTITUTIONAL AID	3 DISADVANTAGED/ MINORITIES	4 FACILITIES ASSISTANCE/ AUTHORITIES	5 MEDICAL/ DENTAL/ NURSING	6 STUDENT ASSISTANCE	OTHER
CALIFORNIA (continued)			Restrictions: Total 2,550 new recipients per year.			Distribution: Maximum \$2,000 per student per year. Restrictions: For m.d. students use in the state only. (b) Fellowship grants for graduate and pro- fessional students. Funding: 1972-73 \$1 million. Distribution: Com- petitive awards based on need. Restrictions: Tuition and fees only. (c) See Column 2 (disadvantaged)	
COLORADO	None	None	None	None	None	(a) 1972 constitutional amendment will permit legislation to create a student loan program. The 1973 legislature may consider such action. (b) State Scholarship Program eligible for any student accepted at any postsecondary institution by an act of state. Funding: 1972-73 \$1,241,000. Distribution: Maximum \$1,000 per student per year. Restrictions: State re- sidents only. (b) See Column 2 (disadvantaged) (c) Scholarships for veterans' surviving dependents. Funding: 1972-73 \$50,000.	None
CONNECTICUT	(a) Contracts with private institutions to provide space for full-time undergraduate state residents. Funding: 1972-73 \$1,114,390. Restrictions: Grants to institutions per student cannot exceed an amount equal to 1/2 of the difference between average cost of the state for edu- cating full-time under- graduates in public institutions and those students tuition charges; number of participating students not to exceed 10 per cent of full-time und- graduate state residents in private colleges and (continued next page)	(a) See Column 2 (disadvantaged)	(a) Transitional grant program for disadvan- taged students. Grants to institutions for guid- ance, tutoring, etc. for such students for use in both public or private in- stitutions. Funding: 1972-73 \$328,000. Distribution: Students not to exceed \$1,300 an- nually. Institutions: Not to exceed \$50 per stu- dent enrolled under pro- gram. Restrictions: Priority consideration to poten- tially capable but disad- vantaged students. (b) Connecticut Faculty Talent Search to identify minority group members who could be employed (continued next page)	(a) Connecticut Health and Educational Facili- ties Authority. Purpose: Issue tax- exempt bonds for facil- ities construction at public or private insti- tutions or hospitals.	None	(a) State Scholarship Program eligible for any student accepted at any postsecondary institution by an act of state. Funding: 1972-73 \$1,241,000. Distribution: Maximum \$1,000 per student per year. Restrictions: State re- sidents only. (b) See Column 2 (disadvantaged) (c) Scholarships for veterans' surviving dependents. Funding: 1972-73 \$50,000. (continued next page)	None
* As most recipient institutions	enter junior college, the	program has to date offered limited use for private institutions. This will change as junior college students transfer to four-year					
** \$2,300 per studen	effective fall 1973.						

STATE	1. CONTRACTS	2. DIRECT INSTITUTIONAL AID	3. DISADVANTAGED/ MINORITIES	4. FACILITIES ASSISTANCE/ AUTHORITIES	5. MEDICAL, DENTAL, NURSING	6. STUDENT ASSISTANCE	7. OTHER
CONNECTICUT (continued)	(a) The total appropriation. Each participating institution agrees to provide additional students equal to 30 percent of contracted funds. (b) Authorized program of contracts with private institutions for programs, facilities, and services. Funding not funded in 1972-73.		(a) Higher Education facility of a Junior institution. Funding: 1972-73 \$15,000. (c) Connecticut Talent Assistance Cooperative to identify talented but disadvantaged high school students, dropouts, and noncontinuing high school graduates. Includes recruitment, counseling and placement. Funding: 1972-73 \$38,000.			(d) College Continuation Grants for use in public and private institutions. Funding: 1972-73 \$150,000. (e) Work-Study Program, for use in public and private institutions. Funding: 1972-73 \$103,075. (f) State guaranteed student loan program, operated by Conn. Student Loan Foundation. Funding: \$40 million in new cashiers were made in 1972-73 to about 16,000 students. None (g) Florida Inland Student Loans for eligible students for attendance at accredited public or private institutions. Funding: \$40 million authorized to be issued in revenue bonds for loans. \$1 million in bonds sold on 1/8/73. (h) Florida Student Assistance Grant Program for students at accredited public or private institutions. Funding: 1972-73 \$350,000. Distribution: Based on need: In 1972-73, \$295,365 granted to 337 students. Minimum \$1,200 per year; minimum \$200. Resighting: Recipients to have been state residents for 2 years.	
DELAWARE	None	None	None	None	None	None	None
FLORIDA	None	None	None	None	None	None	None

STATE	1. CONTRACTS	2. DIRECT INSTITUTIONAL AID	3. DISADVANTAGED MINORITIES	4. FACILITIES ASSISTANCE AUTHORITIES	5. MEDICAL/ DENTAL/ NURSING	6. STUDENT ASSISTANCE	7. OTHER
GEORGIA	None	None	None	None	None	(a) Tuition grants for state residents attending private schools in Georgia. Funding: 1973-74 \$2.8 million; 1974-75 \$4.4 million. Distribution: \$4.00 per student per academic year. (b) Predominant Private for primary secondary institutions, including institutions receiving state funds under 1973 Junior College Act.	None
HAWAII	None	None	None	None	None	None	None
IDAHO	None	None	None	None	None	None	None
ILLINOIS	None	(a) Direct grants to private institutions for state residents enrolled. Funding: 1973-74 \$8 million. (b) Tuition \$100 per each freshman or sophomore State Scholarship Commission recipient; \$200 for each junior or senior state resident.	(a) See Column 6 (student assistance).	(a) Ill. Educational Facilities Authority created in 1972. Purpose: issue revenue bonds for educational facilities construction at private institutions.	(a) Grants for increased enrollment of Illinois residents in medical, dental, nursing, allied health, and residency program. Funding: 1972-73 \$13.9 million. Distribution: by formula and project grant.	(a) Comprehensive scholarship program for state residents attending public or private state institutions. Funding: 1972-73 \$69.7 million. Distribution: \$1,300 per student. (b) Competitive bursary fund of need also considered. Funding: 1972-73 \$8,648,620. Distribution: \$200 per student, limited to cost of tuition and fees or \$1,400, whichever is less.	(a) Tax of 1% allowed as credit against state income tax equal to amount of contributions to institutions of higher education in the state. (b) Tax of 1% allowed as credit against state income tax equal to amount of contributions to institutions of higher education in the state.
INDIANA	None	None	None	None	None	(a) State Scholarship Program awarded on competitive basis, partly of need also considered. Funding: 1972-73 \$8,648,620. Distribution: \$200 per student, limited to cost of tuition and fees or \$1,400, whichever is less. (b) Educational grant program based on need upon admission to any accredited Indiana institution. Funding: 1972-73 \$7,800,000.	(a) Tax of 1% allowed as credit against state income tax equal to amount of contributions to institutions of higher education in the state. (b) Tax of 1% allowed as credit against state income tax equal to amount of contributions to institutions of higher education in the state.
• Limited to freshmen and sophomores in 1972-73, and to freshmen, sophomores, and juniors in 1973-74. Full program covering all undergraduate students to be implemented in 1974-75. •• The Illinois Educational Facilities Authority Act was challenged, but declared constitutional by the Illinois Supreme Court in September 1972.							

STATE	CONVENTION	DIRECT INSTITUTIONAL AID	3. DISADVANTAGED/ MINORITIES	4. FACILITIES ASSISTANCE/ AUTHORITIES	4. MEDICAL/ DENTAL/ NURSING	4. STUDENT ASSISTANCE	4. OTHER
IOWA	None	None	(a) Tuition grants for low- and mid-income students at low private colleges of their choice. Funding 1971-73 \$1 million. Distribution: Maximum of \$1,000 per year based on family financial need. Restrictions: Cannot eat tuition and fees minus average amount that would be paid at state institution.	None	(a) Property purchase funds for new building site for Des Moines College of Osteopathic Medicine and Surgery. Funding 1972 \$390,000	(a) Scholarships based on ability and financial need and usable at any accredited public or private institution in state by students. Funding 1972-74 \$1,000,000. Distribution: \$1,000 per year depending on need and tuition. Restrictions: Used only for tuition and fees.	None
KANSAS	None	None	(a) See Column 3 (b) (student assistance)	None	None	(a) Limited competitive scholarship program for freshman and award based on need. Funding: Per year \$100,000. Distribution: Tuition of \$500, whichever is less. Restrictions: Renewable only once. (b) Tuition grants for low and middle income students at Kansas private colleges. Funding 1972-1973 \$1 million. Distribution: Tuition fees or financial need based on family contribution, with a lower less maximum \$1,000. Restrictions: Student must pay \$450 before grant is calculated against total cost.	None
KENTUCKY	None	None	None	None	None	(a) Tuition grants for students at private nonprofit colleges and universities. Funding 1972-74 \$2,500,000.	None
LOUISIANA	None	None	None	None	None	None	None

* Vietnam: Funding to show for a conditional test of the program in 1972.

- The program is currently under an American Civil Liberties Union suit on constitutionality grounds
- The Board administers a number of scholarship programs, most of which are unable at either public or private institutions

STATE	CONTRACTS	DIRECT INSTITUTIONAL AID	DISADVANTAGED MINORITIES	FACILITIES ASSISTANCE/ AUTHORITIES	MEDICAL/ DENTAL/ NURSING	STUDENT ASSISTANCE	OTHER
MASSACHUSETTS (continued)						be used for the private sector. In 1972-73 approximately \$80 per cent of the \$8 million will be used in the private sector.	
MICHIGAN	<p>(a) Contracts for dental school services at accredited non-public schools of dentistry in the state.</p> <p>Funding: 1972-73 \$194,400</p> <p>Distribution: \$2,400 for each doctor of dental surgery or dental medicine degree earned by Michigan residents.</p> <p>(b) Contracts for law school services at law schools which are units of nonpublic universities.</p> <p>Funding: 1973-74 \$20,000</p> <p>Distribution: \$1,000 for each juris doctor degree earned by Michigan residents.</p>	None	None	<p>(a) Higher Education Facilities Authority.</p> <p>Purpose: To issue tax-exempt bonds for construction of private institutions academic facilities. Authority has been established but no bonds issued as of December 1972.</p>	<p>(a) See Column 1 (contracts)</p>	<p>(a) Competitive scholarship program: applicants rated on test score and class rank. In 1972-73, private college students will get 20 per cent of scholarships and 25 per cent of funds.</p> <p>Funding: 1972-73 \$5.166 million.</p> <p>Distribution: Cash awards up to \$500 per year for 4 years to those with financial need; honorary awards to those without.</p> <p>(b) Tuition grant program based entirely on financial need for students attending private nonprofit institutions.</p> <p>Funding: 1972-73 \$5.66 million.</p> <p>Distribution: Maximum of \$800 per year for 4 undergraduate and 2 graduate years study (increased to \$1,200 maximum effective 7/1/73).</p> <p>Restrictions: Student tuition charges must exceed \$240. Theology students not eligible.</p> <p>(continued next page)</p>	<p>(a) Tax credits for contributions to general fund of any public 2 or 4 year institution in state.</p> <p>(b) Rebate of state gasoline taxes paid by private institutions for school buses.</p>
<p>• Appropriation for 1973 and further legislation must be considered to continue program.</p>							

STATE	1 CONTRACTS	2 DIRECT INSTITUTIONAL AID	3 DISADVANTAGED MINORITIES	4 FACILITIES ASSISTANCE/ AUTHORITIES	5 MEDICAL/ DENTAL/ NURSING	6 STUDENT ASSISTANCE	7 OTHER
MICHIGAN (continued)						(c) Guaranteed Student Loan Program. Distribution: Students may borrow up to \$1,000/yr. for undergraduates and \$1,500/yr. for graduates.	
MINNESOTA	(a) Contracts with private colleges for the education of additional state residents and of low-income students. Funding: 1971-1973 \$2.7 million. Distribution: \$500 per each state resident in excess of 1970 enrollment of residents; and \$500 per each low-income state grant-in-aid recipient (the 2 payments are separate and unrelated).	(a) See Column 5 (medical)	(a) See Column 3 (contracts)	(a) Higher Education Facilities Authority. Purpose: To provide bonds for construction and renovation of public and private institutional facilities.	(a) Development of undergraduate medical school in cooperation with Mayo Foundation. Funding: 1971-1973 \$370,000. Distribution: \$3,000 per state resident enrolled.	(a) State Scholarship Program, based on need, usable in public and private institutions and public area vocational schools. Funding: 1971-72 \$1,500,000; 1973-74 \$2,500,000. Distribution: 1/2 of demonstrated need. Range: \$100 to \$1,000. Restrictions: \$500 upper 25 per cent academically only. (b) Grant-in-aid program, based on need, usable in public or private and public area vocational schools. Funding: 1971-72 \$1,040,000; 1973-74 \$2,500,000. Distribution: 1/2 of demonstrated need. Range: \$100 to \$1,000.	(a) International projects with limited participation by private colleges. Funding: 1971-72 \$150,000. (b) Minn.-Tex Library Program including all private college libraries. Funding: 1971-73 \$300,000.
MISSISSIPPI	None	None	None	None	None	None	None
MISSOURI	None	None	None	None	None	(a) Student Tuition Awards Program to students for use at public or private institutions. Funding: 1973 second semester \$100,000. Distribution: Based on need and academic progress up to half of tuition and fees; maximum \$500 per academic year.	None
MONTANA	None	None	None	None	None	None	None

STATE	1- CONTRACTS	2- DIRECT INSTITUTIONAL AID	3- DISADVANTAGED/ MINORITIES	4- FACILITIES ASSISTANCE/ AUTHORITIES	5- MEDICAL/ DENTAL/ NURSING	6- STUDENT ASSISTANCE	7- OTHER
NEBRASKA	None	None	None	None	None	(a) Tuition aid grants for state residents in full-time degree programs at accredited private institutions in state. Funding: 1972-1973 \$500,000. Distribution: Up to \$500 per year per student. (b) State Investment Council program of direct loans to students at public or private institutions in state. Funding: As of 2/26/73, \$1.2 million allocated and expended. Distribution: Effective 3/1/73, \$2,500 per year maximum to a maximum of \$10,000 total.	None
NEVADA	None	None	None	None	None	None	None
NEW HAMPSHIRE	None	None	None	None	None	None	None
NEW JERSEY	(a) Contracts with independent colleges and universities to maintain and preserve these education resources. Funding: 1972-73 \$5 million. Distribution: Eligibility based on: (1) up to \$100 per eligible student receiving aid; (2) \$60 per additional student; \$175 per undergraduate, and \$225 per upperclassman; all must be residents of state; (3) approved graduate programs; and (4) grant requests for computer and library services. Funding: 1972-1973 \$3,180,000. (b) See Column 1 (contracts)	(a) Supplementary educational program grants for institutions under Educational Opportunity Grant Program. Funding: 1972-1973 \$12.2 million. Distribution: Grants up to \$1,000.	(a) Educational Opportunity Grant Program for disadvantaged students at public or private institutions. Funding: 1972-1973 \$12.2 million. Distribution: Grants up to \$1,000.	(a) Educational Facilities Authority. Purpose: to issue tax-exempt bonds for construction of facilities.	(a) State Scholarship Program—competitive awards for up to 5 per cent of in-state high school graduates of previous year to attend public or private institutions. Funding: 1972-1973 \$8,055,067. Distribution: Up to \$500 per year. Restrictions: There are certain limitations on use at out-of-state institutions. (b) Incentive Grants for state scholarship holders attending in-state institutions with more than \$500 annual tuition. (continued next page)	(a) State Scholarship Program—competitive awards for up to 5 per cent of in-state high school graduates of previous year to attend public or private institutions. Funding: 1972-1973 \$8,055,067. Distribution: Up to \$500 per year. Restrictions: There are certain limitations on use at out-of-state institutions. (b) Incentive Grants for state scholarship holders attending in-state institutions with more than \$500 annual tuition. (continued next page)	None
* A State Attorney General opinion has ruled the program unconstitutional; therefore the program will not be implemented pending a ruling now under consideration in the courts.							

STATE	CONTRACTS	DIRECT INSTITUTIONAL AID	DISADVANTAGED/MINORITIES	FACILITIES/ ASSISTANCE/ AUTHORITIES	MEDICAL/ DENTAL/ NURSING	STUDENT ASSISTANCE	OTHER
NEW JERSEY (continued)						<p>Funding: 1972-1973 \$1,515,000 Distribution: Maximum award of \$500.</p> <p>(c) Tuition aid grants based on financial need for students at private institutions where tuition exceeds \$500. Funding: 1972-1973 \$2,170,000.</p> <p>(d) County College Assistance Program for junior college transfers who need assistance in expense transfers to 4-year public or private. Funding: 1972-1973 \$312,000. Distribution: Range of \$500 to \$1,000.</p> <p>(e) See Column 2 (disadvantaged)</p> <p>None</p> <p>None</p>	
NEW MEXICO	<p>(a) Unilateral contracts with dental schools in other states outside of WICHE. Funds paid to school students pay reduced tuition and difference in cost of education payment.</p> <p>See Column 5 (c, d, and e) (nursing/medical/dental)</p>	<p>(a) Participation in the WICHE* student exchange program which involves payments of state funds to several private institutions in other states</p>	None	None	<p>(a) See Column 1 (contracts)</p>		
NEW YORK		<p>(a) Grants to independent colleges and universities. Funding: 1972-1973 \$30.2 million. Distribution: Formula based—\$400 for each bachelor and master's degree awarded previous year; \$2,400 for each doctorate. (continued next page)</p>	<p>(a) Educational Opportunity Funds for disadvantaged students at private public or private institutions. Funding: 1972-73 \$43.4 million including \$6.35 million for private college students.</p>	<p>(a) Dormitory Authority for construction. Purpose: Provide tax-exempt bonds for residential and academic facilities construction at private institutions.</p> <p>(b) Deferred major maintenance loans for private institutions. (continued next page)</p>	<p>(a) Competitive scholarships for 400 medical, dental, and osteopathic students. Funding: Not available. Distribution: \$350 to \$1,000 per year based on financial need. Restrictions: Up to 120 of medical awards reserved for students (continued next page)</p>	<p>(a) Regents Scholarship and Fellowship Programs—competitive and noncompetitive scholarships for use at in-state public or private institutions. Funding: 1972-1973 \$30.6 million. Distribution: In 1972-73, \$72,592 awards (continued next page)</p> <p>(c) If endowed chairs at private institutions in science and humanities. Funding: \$500,000 per year. Distribution: \$13,000 per chair.</p>	
Western Interstate Commission for Higher Education							

STATE	1. CONTRACTS	2. DIRECT INSTITUTIONAL AID	3. DISADVANTAGED/ MINORITIES	4. FACILITIES ASSISTANCE/ AUTHORITIES	5. MEDICAL/ DENTAL/ NURSING	6. STUDENT ASSISTANCE	7. OTHER
NEW YORK (continued)		(b) See Column 5 (b) (medical/dental) (c) See Column 1 (endowed chairs)		Purpose: Remodeling, restoration, or moder- nization of educational buildings	agreed to serve in physician-shortage areas. Stipends are \$1,000 for first year and up to \$4,000 for other three years, based on financial need. Grants to non-pub- lic medical colleges. Funding: 1972-1973 \$4.2 million. Distribution: Formula— \$1,500 each full-time student in M.D. program (c) Contract program to expand nursing en- rollments; provide funds for each additional en- rollee. Funding: 1972-1973 \$1.2 million. Distribution: \$300 for public community col- leges, \$1,000 for private junior colleges, \$2,000 hospital diploma pro- grams, and \$2,500 bachelor degree program per student. (d) Contract program for nurses refresher courses and qualification courses for foreign trained nurses. Funding: Approximately \$1,250,000. (e) Contract program to expand medical and dental school enrollments including capital grants. Funding: 1972-73 \$5.9 million. Distribution: Medical— \$5,000 for each student over total enrollment increase up to 25 per class or 100 per school. Dental—\$3,000 per increased student. Capital—based on enroll- ment size and capital program.	from \$250 to \$1,000 based on need. (a) See Column 6 (medical) (c) Scholar Incentive Program, based on need, for student grants for use in the state (noncompeti- tive) Funding: 1972-1973 \$47.1 million. Distribution: Grants up to \$800. (d) See Column 3 (Disadvantaged) (e) Guaranteed loans program. Distribution: Student may borrow up to \$7,500. In 1971-72, state guaranteed \$153,302 loans totaling \$167 million.	

STATE	1. CONTRACTS	2. DIRECT INSTITUTIONAL AID	3. DISADVANTAGED/MINORITIES	4. FACILITIES ASSISTANCE/AUTHORITIES	5. MEDICAL/DENTAL/NURSING	6. STUDENT ASSISTANCE	7. OTHER
NORTH CAROLINA	(a) Contracts to enable private institutions to administer scholarship to needy N.C. students. Funding: 1971-1973 \$150,000. <u>Distribution:</u> For tuition to students on formula based on new students over and above October 1970 enrollment. <u>Restriction:</u> Each institution must disburse to needy students an amount equal to that received. (b) Contracts for private institutions for residents of state enrolled as of October 1970. Funding: 1971-73 \$575,066. <u>Distribution:</u> For tuition based on residents enrolled in October 1970. <u>Restriction:</u> Same as column 1 (a)	(a) See Column 1 and b (contracts)	None	None	(a) Education of North Carolina at two private schools of nursing. Funding: 1971-1973 \$125,566. (b) Financial assistance to hospital diploma nursing programs including private. Funding: 1971-73 \$741,263. <u>Distribution:</u> \$303 per student enrolled in nursing education programs as of Dec. 1 of preceding year.	(a) Comprehensive program of grants (see Column 1) loans and work-study for students at public or private institutions. Funding: \$1 million per annum through sale of state-owned surplus lands. (b) See (a) (continued)	None
NORTH DAKOTA	None	None	None	None	None	None	None
OHIO	None	(a) See Column 5 (medical/dental)	None	(a) Higher Education Facility Commission. Purpose: To sell tax-exempt revenue bonds to finance educational facilities for private institutions.	(a) Financial assistance to Case Western Reserve University for education in medicine and dentistry. Funding: 1972-1973 \$250,000. (b) Instructional grant program for Ohio residents at in-state public and private institutions. Funding: 1972-1973 \$15,160,000. <u>Distribution:</u> Maximum grant: \$319 for public and \$1,200 for private institution based on adjusted effective income to	(a) Student assistance plan per annum. Funding: \$100,000 guaranteed \$195,102.415 in loans at 1971-73. <u>Distribution:</u> Maximum loan of \$2,500. (b) Instructional grant program for Ohio residents at in-state public and private institutions. Funding: 1972-1973 \$15,160,000. <u>Distribution:</u> Maximum grant: \$319 for public and \$1,200 for private institution based on adjusted effective income to	(continued next page)

STATE	CONTRACTS	DIRECT INSTITUTIONAL AID	DISADVANTAGED MINORITIES	FACILITIES ASSISTANCE/ AUTHORITIES	MEDICAL/ DENTAL/ NURSING	STUDENT ASSISTANCE	OTHER
OHIO (continued)						\$11,000 and no. of dependent children. Restrictions: For full-time undergraduate students only.	
OKLAHOMA	None	None	None	None	None	(a) Tuition aid grants for full-time Oklahoma residents at public and private accredited institutions in state based on need. Funding: No funds appropriated as yet. Distribution: Maximum grant of \$500 per student, but not more than 50 per cent of tuition and/or fees.	None
OREGON	(a) Direct aid to accredited private institutions in Oregon through contracts for secular education of state residents. Funding: 1971-1973 \$2 million. Distribution: Up to \$250 for every 45 quarter hours completed; \$1,000 for every student completing 4 years of undergraduate education.	(a) See Column 1 (contracts)	None	None	None	(a) Need grant awards based on financial need and cash awards program based both on need and academic achievement for students attending any accredited college or university in state. Funding: 1971-1973 \$2,000,000*—\$1.5 million for need grant awards; \$500,000 for cash awards. Distribution: Need grants based on family income with \$500 maximum grant.	None
PENNSYLVANIA	(a) A contract program is provided for in 1971 Master Plan, but is not as yet implemented.	(a) The state has traditional programs of direct aid to 12 private institutions referred to as state-related (general funding) and state-aided (mainly focussed on programs of benefit to the state). Funding: 1972-73 \$7,517,990.	(a) Institutional aid to private institutions for remedial programs for disadvantaged students. Funding: 1971-73 total appropriation \$2 million, of which about \$1,000,000 was awarded to private institutions.	None	(a) Medical programs included in Column 2 (a)	(a) Second largest state scholarship program for use at in-state or out-of-state public or private institutions, hospitals, nursing schools, and in-state private trade and business schools. Based on SAT scores (for eligibility) and need in relation to total cost (continued next page)	none
* A total of \$7.5 million was appropriated, with \$500,000 earmarked for public community colleges.							

STATE	1. CONTRACTS	2. DIRECT INSTITUTIONAL AID	3. DISADVANTAGED/ MINORITIES	4. FACILITIES ASSISTANCE/ AUTHORITIES	5. MEDICAL/ DENTAL/ NURSING	6. STUDENT ASSISTANCE*	7. OTHER
PENNSYLVANIA (continued)						<p>less family contribution.</p> <p>Funding: 1972-73 \$59.4 million.</p> <p>Distribution: Maximum award \$1000 to \$1500 of \$1000 out of state. 50 percent of need met for freshmen with less than \$1500 annual income and 10 percent of need met for freshmen with income above \$1500. About 2500 awards used by students in private institutions.</p> <p>(b) Senators' Scholarships for use at institutions selected of which are paid by the Distribution. Up to 1/2 of tuition.</p> <p>(c) Tuition and Fees Grants based on merit and need for use at public or out-of-state public or private institutions.</p> <p>Funding: 1972-73 \$167.00.</p> <p>Distribution: Maximum award \$750 maximum \$1000. Number of awards: 5 percent of total number of 4th year high school seniors of October multiplied by \$750, which is the average award granted.</p>	
RHODE ISLAND	None	None	None	None	None	None	None
						<p>* Nontransferable programs from community colleges and scholarship incentive Program awards for needy students who do not meet the required test scores.</p> <p>** To date, most recipients have chosen to attend the state's public institutions.</p>	

STATE	CONTRACTS	DIRECT INSTITUTIONAL AID	DISADVANTAGED MINORITIES	FACILITIES ASSISTANCE/ AUTHORITIES	MEDICAL/ DENTAL/ NURSING	STUDENT ASSISTANCE	OTHER
SOUTH CAROLINA	(a) State contracts with private colleges to provide public school teachers with graduate practice teachers at private colleges. Funding: \$100,000. 1972-73	(a) Practice teaching fees to compensate public school teachers supervising undergraduate practice teachers at private colleges. Funding: \$100,000.	None	(a) Bond Authority. Purpose: Grants permission for private colleges to issue tax-exempt bonds for construction of physical facilities.	None	(a) Tuition Grants program based on merit and need for students attending private institutions. Funding: 1972-73 \$150,000. Distribution: Based on per student appropriation at public institution - about \$1,300. (b) See Column 1 (contracts) (c) State Education Assistance Authority. Purpose: To issue revenue bonds to make or guarantee loans of students at all institutions including vocational schools.	(a) Authority granted for private institutions to purchase from State Purchasing Office and to utilize contracts negotiated by the Office. None, but major savings to the private have resulted.
SOUTH DAKOTA	None	None	None	None	None	None	None
TENNESSEE	(a) See Column 5a (medical)	None	None	(a) Contracts for Vanderbilt University and Meharry Medical College for increasing enrollment of Tenn. medical students. Funding: 1972-73 \$40,000. Restrictions: Payment for each additional state resident student not to exceed the per student appropriation at the public medical school.	(a) Contracts for Vanderbilt University and Meharry Medical College for increasing enrollment of Tenn. medical students. Funding: 1972-73 \$40,000. Restrictions: Payment for each additional state resident student not to exceed the per student appropriation at the public medical school.	(a) Tuition Grant program based on need for use at any accredited public or private institution. Funding: 1972-73 \$1,250,000. Distribution: Maximum grant of \$1,000. Restrictions: Limited to tuition and fees. (b) See Column 5 (b) (medical)	None

* In a 1972 referendum, 60 per cent of voters approved constitutional changes which eliminates prohibition of indirect state support of church-related colleges.

** State Supreme Court ruled the Authority is constitutional.

STATE	1- CONTRACTS	2- DIRECT INSTITUTIONAL AID	3- DISADVANTAGED/ MINORITIES	4- FACILITIES ASSISTANCE/ AUTHORITIES	5- MEDICAL DENTAL/ NURSING	6- STUDENT ASSISTANCE	7- OTHER
TENNESSEE (continued)					Funding: 1973-1974 \$160,000. Up to \$200,000 balance year or \$14,000 total.		
TEXAS	(a) See Column 5 (medical)	None	None	None	(a) Contracts with Baylor University for medical and dental training of Texas res- dents. Funding: 1973-74 Medical: \$5 million Dental: \$1.5 million. (b) Contracts with Texas College of Osteo- pathic Medicine for Texas undergraduate medical students. Funding: 1972-73 \$300,000.	(a) Tuition and other non-grant assistance need for Texas resi- dents attending in- state institutions. million of these in the funding: 1973-74 \$2 million. (b) State Grants up to \$100,000 per institution for the tuition of Texas resi- dents attending in- state institutions. notes available 1972-73.	None
UTAH	None	None	None	None	None	(a) Inclusion of program for need for residents public or private secondary institutions in or out of state. Funding: 1972-73 \$2.5 million. Distribution: 1973-74 \$1,050 per student at public institutions, \$1,200 per student at private, and \$1,050 per student for out- of-state public or pri- vate institutions.	None
VERMONT	None	None	None	None	None	(a) Scholarships for lea- ning and dental hygienist students, awarded same as column 6 (a). Distribution: Nursing, 100 awards per year; dental, 6 per year. Restrictions: Same as column 6 (a). (continued next page)	(a) Private institutions are exempt from prop- erty and sales tax.
VIRGINIA	None	None	None	(a) Virginia College Building Authority, reactivated by 1972 legislature. Purpose: To provide a means for private colleges to borrow money for new con- struction using tax- exempt bonds. (continued next page)	(a) Scholarships for nursing and dental hygienist students, awarded same as column 6 (a). Distribution: Nursing, 100 awards per year; dental, 6 per year. Restrictions: Same as column 6 (a). (continued next page)	(a) State Teacher Scholarships for lea- ning and dental hygienist students, awarded same as column 6 (a). Distribution: Nursing, 100 awards per year; dental, 6 per year. Restrictions: Same as column 6 (a). (continued next page)	(a) Private institutions are exempt from prop- erty and sales tax.
*Jurors will be added in 1973-74 and seniors in 1974-75.							

STATE	CONTRACTS	DIRECT INSTITUTIONAL AID	DISADVANTAGED MINORITIES	FACILITIES ASSISTANCE/ AUTHORITIES	MEDICAL/ DENTAL/ NURSING	STUDENT ASSISTANCE	OTHER
VIRGINIA (continued)				Restrictions: For colleges whose primary purpose is to provide collegiate or graduate education.		<p>year at about \$150 each. Restrictions: Recipients must teach in state one year for each year of scholarship.</p> <p>(b) See Column 6 (nursing/dental)</p> <p>(c) Tuition assistance loans for all Virginia students attending private institutions. Funding: see (d) below.</p> <p>(d) Distribution: Freshmen: only eligible in 1973-74; maximum loan, \$400.</p> <p>(e) Aid to Virginia students based on need: scholarship grants to students at public institutions; loans to students at private institutions. Funding: 1973-74 \$50,000.00 per cent must be used for tuition assistance loans (part c above.)</p> <p>(a) 1971 legislation clarified tax-exempt status of private institution properties and services.</p>	
WASHINGTON	None	None	None	None	None	<p>(a) Student aid program based on need—students may attend institution of their choice in state. Funding: 1971-1973 \$1,316,700. Distribution: 1/3 difference college cost and total family contribution.</p> <p>(b) Tuition supplement: program for every undergraduate state resident attending a private institution in state. Funding: 1971-1973 \$1.7 million. Distribution: Maximum of \$100 per student.</p>	
							<p>* These two programs were first approved in 1972 but declared unconstitutional. Major change in the 1973 programs was to make the repayment clauses severable as another court test is pending. Constitutional amendment to permit direct grants to private college students and direct grants and contracts for private colleges approved by 1973 legislature.</p> <p>** Court case questioning the tuition supplement program is pending before the State Supreme Court.</p>

STATE	1. CONTRACTS	2. DIRECT INSTITUTIONAL AID	3. DISADVANTAGED/ MINORITIES	4. FACILITIES ASSISTANCE/ AUTHORITIES	5. MEDICAL/ DENTAL/ NURSING	6. STUDENT ASSISTANCE	7. OTHER
WISCONSIN (continued)						(d) Tuition relief bursary grants for students enrolled in in- or out-of-state institutions in self- corrected professions - major portion of which are in dental education at Marquette university. Funding: \$977,521.00 \$716,000. Distribution: \$500 per student.	
WYOMING	None	None	None	None	None	(e) See Column 6 (a and b) (disad- vantaged minorities). None	None

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